

X

SEC. CR, 36.60 (8) (h)

36.60⁽⁸⁾(h) Notwithstanding subs. (3) (b)[✓] and (5) (a)[✓]
 and (b)[✓], ensure that ~~a physician~~
~~a dentist~~ money appropriated under
 s. 20.285 (1) (g) (j)[✓] are used ^{under this section} only
 on behalf
 to repay loans of physicians and
 dentists who agree to practice in a
 rural area, [✓] ~~under this section~~ and

STATE OF WISCONSIN - LEGISLATIVE REFERENCE BUREAU

LRB

Research (608-266-0341)

Library (608-266-7040)

Legal (608-266-3561)

LRB

X
SEC. CR; 36.61 (1) (e)

36.61 (1) (e) "Rural area" has the
meaning given in s. 36.63 (1) (b).[✓]

Section #. 36.61 (3) of the statutes, as affected by 2009 Wisconsin Act 28^X, is amended to read:

36.61 (3) AGREEMENT. (a) The board shall enter into a written agreement with the health care provider. In the agreement, the health care provider shall agree to practice at least 32 clinic hours per week for 3 years in one or more eligible practice areas in this state, except that a health care provider in the expanded loan assistance program under sub. (8) who is not a dental hygienist may only agree to practice at a public or private nonprofit entity in a health professional shortage area[✓] or in a rural area

(b) The agreement shall specify that the responsibility of the board to make the payments under the agreement is subject to the availability of funds in the appropriations under s. 20.285 (1) (jc) [↓] and [↑] (ks) ↑ and (gj) [✓]

History: 2009 a. 28 ss. 3046 to 3056; Stats. 2009 s. 36.61.

Section #. 36.61 (5) (a) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

36.61 (5) (a) The obligation of the board to make payments under an agreement entered into under sub. (3) is subject to the availability of funds in the appropriations under s. 20.285 (1) (jc) ~~and~~ ^(ks) ~~(ks)~~.

History: 2009 a. 28 ss. 3046 to 3056; Stats. 2009 s. 36.61.

page (94)✓

X
Section #. 36.61 (5) (b) (intro.) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

36.61 (5) (b) (intro.) If the cost of repaying the loans of all eligible applicants, when added to the cost of loan repayments scheduled under existing agreements, exceeds the total amount in the appropriations under s. 20.285 (1) (jc) ~~and (ks)~~ ^{and (qj)}, the board shall establish priorities among the eligible applicants based upon the following considerations: ✓

History: 2009 a. 28 ss. 3046 to 3056; Stats. 2009 s. 36.61.

Section #. 36.61 (5) (b) 1. of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

36.61 (5) (b) 1. The degree to which there is an extremely high need for medical care in the eligible practice area ^{or health professional shortage area} in which an eligible applicant who is not a dental hygienist desires to practice and the degree to which there is an extremely high need for dental care in the dental health shortage area ^{in which an eligible applicant who is a dental hygienist desires to practice.}

History: 2009 a. 28 ss. 3046 to 3056; Stats. 2009 s. 36.61.

or rural area

Section #. 36.61 (5) (b) 2. of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

36.61 (5) (b) 2. The likelihood that an eligible applicant will remain in the eligible practice area or rural area ~~on~~ health professional shortage area in which he or she desires to practice after the loan repayment period.

History: 2009 a. 28 ss. 3046 to 3056; Stats. 2009 s. 36.61.

Section #. 36.61 (5) (b) 3. of the statutes, as affected by 2009 Wisconsin Act 28, is amended
to read:

36.61 (5) (b) 3. The per capita income of the eligible practice area ~~or~~ health professional shortage
area in which an eligible applicant desires to practice.✓

History: 2009 a. 28 ss. 3046 to 3056; Stats. 2009 s. 36.61.

or rural area

Section #. 36.61 (5) (b) 4. of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

36.61 (5) (b) 4. The financial or other support for health care provider recruitment and retention provided by individuals, organizations or local governments in the eligible practice area [↓] ~~on~~ health professional shortage area [↓] ~~in~~ which an eligible applicant desires to practice. ✓

History: 2009 a. 28 ss. 3046 to 3056; Stats. 2009 s. 36.61.

per rural area

Section #. 36.61 (5) (b) 5. of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

36.61 (5) (b) 5. The geographic distribution of the health care providers who have entered into loan repayment agreements under this section and the geographic location of the eligible practice area ~~or~~ health professional shortage area in which an eligible applicant desires to practice.

History: 2009 a. 28 ss. 3046 to 3056; Stats. 2009 s. 36.61.

or rural area

SEC.

CR;

36.61(7)(e)

36.61(7)(e) Notwithstanding subs. (3)(b) and

(5)(a) and (b), ensure that moneys

appropriated under s. 20.285(1)(g) under this section

are used only to repay loans

on behalf of health care

providers who agree to practice

in a rural area.

X ^
SEC. CR. 36.63

② physician ③
36.63 Rural residency assistance program. no #

③
(1) In this section:

(a) "Physician" means a physician as defined in s. 448.01(5), who specializes in family practice, general surgery, internal medicine, obstetrics, pediatrics, or psychiatry.

(b) "Rural" means a county, city, town, or village in this state that has a population of less than 20,000 in this state, or an area that is not an urbanized area as defined by the federal bureau of the census.

(2)(a) The board shall establish and support physician residency positions to which one of the following applies:

1. The residency position is ^{in a hospital or clinic} that is located in a rural area [✓] but is not ^{yet} certified by the Accreditation Council for Graduate Medical Education.

2. The residency position ^{includes} a rural rotation [↑] begun after the 2009-10 fiscal year, which consists of at least 8 weeks of training experience in a hospital or clinic that is located in a rural area. [✓]

3. The residency position is located in a rural area and ~~has~~ a majority of the experience ^{occurs} training it provides ⁱⁿ a rural area.

The residency position includes at least 8 weeks of training ^{experience} in a rural area.

In establishing and supporting residency positions under par. (a),

(b) The board shall give preference ~~under~~ residency ~~substant~~ to programs that actively recruit graduates of the University of Wisconsin School of Medicine and Public Health and the Medical College of Wisconsin O

(3) Annually ^{by December 1st} the board shall submit a plan for increasing the number of physician residency programs that include a majority of training experience in a rural area to the Rural Wisconsin Health Cooperatives, the Wisconsin Hospital Association and the Wisconsin Medical Society. The plan shall include a detailed ^{proposed} budget for expending the ^{the board} moneys appropriated to § under s. 20.285(1)(g) and demonstrate that the moneys do not

supplant

supplant existing funding. The board shall consider comments made by the organizations in formulating its final budget.

⑧

(4) Annually by December 1, the board shall submit to the joint committee on finance a report that includes all of the following:

¶ (a) The number of physician residency positions that existed in the 2009-10 fiscal year, and in each fiscal year beginning after the effective date of this ^{§ 13.01(4)} paragraph [LRB inserts date], that included a majority of training experience in a rural area.

in the 2008-09 fiscal year, and in each fiscal year beginning after annual report made subsequent to the first, the number that existed in each fiscal year in which a report was made. The report shall include all of the following:

~~(A) For the previous fiscal year, all of the following~~

(b) 1. The number of ^{such} physician residency positions funded in part under this section in the previous fiscal years.

2. The eligibility criteria met by each such residency position and the hospital or clinic with which the position is affiliated.

3. The medical school attended by the physician filling each ^{such} residency position.

4. The year the Accreditation Council ^{certified} for Graduate Medical Education funded the residency position.

5. The reason the residency position had not been funded.

End of Ins PG ch 36 treatments

**2009-2010 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-04007/P1gm
GMM.....

(INSERT 1-2)

1 providing nursing student loans from moneys received from those assessments,
2 and making an appropriation.

(END OF INSERT)

this is INSERT 1-5 A

3 **SECTION 1.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
4 the following amounts for the purposes indicated:

2009-10 2010-11

6 **20.235 Higher educational aids board** ✓

7 (1) STUDENT SUPPORT ACTIVITIES ✓

8 (t) Critical access hospital assess-
9 ment fund; nursing student loan
10 program ✓

SEG ✓

-0-

100,000

this is
INS 1-5C

11 **SECTION 2.** 20.235 (1) (t) of the statutes is created to read:

12 20.235 (1) (t) *Critical access hospital assessment fund; nursing student loan*
13 *program.* From the critical access hospital assessment fund, the amounts in the
14 schedule for the nursing student loan program under s. 39.393. ✓

(END OF INSERT)

10
(INSERT 3-#)

15 **SECTION 3.** 39.393 (2) of the statutes is amended to read:

16 39.393 (2) ~~Beginning in the 2002-03 fiscal year, the~~ The board shall make loans
17 under this section from the appropriation under s. 20.235 (1) (cm). Beginning in the
18 2010-11 fiscal year, the board, subject to s. 50.38 (11), shall also make loans under

1 this section from the appropriation under s. 20.235 (1) (t) to persons enrolled in the
2 programs described in sub. (1) (e) and (f). The maximum amount of loan for a person
3 during any fiscal year is \$3,000. The maximum that a person may receive under this
4 section is \$15,000. The board shall ensure that the terms of the loan do not require
5 a loan recipient to repay the loan while the recipient is enrolled in a program under
6 sub. (1).

History: 2001 a. 16; 2005 a. 368.

7 **SECTION 4.** 39.393 (3) of the statutes is renumbered 39.393 (3) (a) and amended
8 to read:

9 39.393 (3) (a) After the recipient of a loan under sub. (1) that was funded from
10 the appropriation under s. 20.235 (1) (cm) has completed the program described in
11 sub. (1), the board shall forgive ~~25%~~ 25 percent of the loan's principal and interest
12 after the first full year and ~~25%~~ 25 percent of the loan's principal and interest after
13 the 2nd full year that the recipient has been employed full time in this state as a
14 nurse or nurse educator.

15 (c) The board may forgive loans on a prorated basis for persons who are
16 employed less than full time. ^{= m} The board shall deposit in the general fund as general
17 purpose revenue ^{Δ Δ} earned all repayments of loans made under this section and the
18 interest on those loans.

History: 2001 a. 16; 2005 a. 368.

19 **SECTION 5.** 39.393 (3) (b) of the statutes is created to read:

20 39.393 (3) (b) After the recipient of a loan under sub. (1) that was funded from
21 the appropriation under s. 20.235 (1) (t) has completed the program described in sub.
22 (1), the board shall forgive 25 percent of the loan's principal and interest after the
23 first full year and 25 percent of the loan's principal and interest after the 2nd full year
24 that the recipient has been employed full time in this state as any of the following:

(e) or (f)

1 1. A nurse at a hospital that is located outside a metropolitan statistical area
2 specified under 42 CFR 412.62 (ii) (A) or at a hospital with no more than 100 beds
3 that is located inside such a metropolitan statistical area.✓

4 2. A nurse educator with significant responsibilities relating to preparing
5 persons for employment as nurses in areas of this state that are located outside a
6 metropolitan statistical area specified under 42 CFR 412.62 (ii) (A).✓

(END OF INSERT)

(INSERT A-GM)

Nursing student loan program

Under current law, the Higher Educational Aids Board (HEAB)✓ administers a Nursing Student Loan Program (loan program) under which HEAB makes loans to defray the cost of tuition, fees, and expenses for persons enrolled in programs in this state that confer associate degrees, bachelor's degrees, master's degrees, doctoral degrees, or diplomas in nursing or that confer second degrees that will make persons eligible to take the nursing licensure examination.✓ The maximum amount of loans that a person may receive under the loan program during a fiscal year is \$3,000, and the maximum total amount of loans that a person may receive under the loan program is \$15,000.✓ After a loan recipient has completed his or her program of study, HEAB must forgive 25 percent of the loan's principal and interest after the first full year, and 25 percent of the loan's principal and interest after the second full year, that the loan recipient has been employed full time in this state as a nurse or nurse educator.✓

This bill appropriates to HEAB \$100,000✓ from the critical access hospital assessment fund in fiscal year 2010-11✓ and requires HEAB to use those moneys to make nursing student loans to persons enrolled in programs in this state that confer master's degrees or doctoral degrees in nursing.✓ Under the bill, the maximum amount of those loans that a person may receive during a fiscal year is \$3,000, and the maximum total amount of those loans that a person may receive is \$15,000.✓ After a loan recipient has completed his or her program of study, HEAB must forgive 25 percent of the loan's principal and interest after the first full year,✓ and 25 percent of the loan's principal and interest after the second full year,✓ that the loan recipient has been employed full time in this state as any of the following:

1. A nurse at a hospital that is located outside a federal metropolitan statistical area or at a hospital with no more than 100 beds that is located inside a federal metropolitan statistical area.✓

2. A nurse educator with significant responsibilities relating to preparing persons for employment as nurses in areas of this state that are located outside a federal metropolitan statistical area.

(END OF INSERT)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4007/P1dn

RLR:.)....

nwn

Date

Senator Miller:

The
ge
This analysis for this draft describes only the portions of the draft regarding education loan programs for health care providers. I will add a description of the hospital assessment provisions in the next version.

Robin Ryan
Legislative Attorney
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**2009-2010 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-4007/P1ins nn
RLR/PG/GMM:.....

Ins NN

1

2 ~~§~~ MEDICAL ASSISTANCE TRUST FUND. In the schedule under section 20.005 (3)

3 of the statutes for the appropriation to the department of health services under

4 section 20.435 (4) (w) of the statutes, as affected by the acts of 2009, the dollar amount

5 is increased by \$2,700,000 for the first fiscal year of the fiscal biennium in which this

6 subsection takes effect for the purposes for which the appropriation is made. In the

7 schedule under section 20.005 (3) of the statutes for the appropriation to the

8 department of health services under section 20.435 (4) (w) of the statutes, as affected

9 by the acts of 2009, the dollar amount is increased by \$2,700,000 for the second fiscal

10 year of the fiscal biennium in which this subsection takes effect for the purposes for

11 which the appropriation is made.

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-4007/P1dn
RLR:nwn:md

January 6, 2010

Senator Miller:

The analysis for this draft describes only the portions of the draft regarding education loan programs for health care providers. I will add a description of the hospital assessment provisions in the next version.

Robin Ryan
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2/10/10

Changes needed to the CAH assessment bill draft:

- ✓1. Eliminate the first year appropriations to the UW for the expanded rural residency program and the loan forgiveness program.
- ✓2. Beginning in SFY 2011, from the CAH assessment fund, \$750,000 to s. 20.285(1)(qe), for the rural physician residency assistance program.
- ✓3. Beginning in SFY 2011, from the CAH assessment fund, \$250,000 to s. 20.285(1)(qj), for the physician, dentist, and health care provider loan assistance programs; critical access hospital fund.
- ✓4. Change definition rural area (Section 34, page 12) to the following:

"Rural area" means a ~~county~~, city, town, or village in this state that has a population less than 20,000 and that is not within 15 miles of a city, town, or village, that has a population more than 20,000, or an area in this state that is not an urbanized area, as defined by the federal bureau of the census."

In order to not include suburban residency positions under the new program, change page 12, line 9 to the following:

"The residency position is located in a hospital located in a rural area or clinic with physicians who admit to a hospital located in a rural area."

Lora Leach
also change
lines 11 & 12

- ✓5. Delete the additional funding (\$100,000) for the Higher Education Aids Board's nursing student loan program and references to the funding in the CAH assessment provisions.
- ✓6. Eliminate the first year of the CAH assessment. Payments from CAHs would be due quarterly with the first due on September 30, 2010.
- ✓7. If possible, create necessary amounts in the schedule for the CAH assessment beginning in SFY 2011.
- ✓8. Per discussions with LRB and LFB, the CAH appropriation needs to permit the transfer to the Medical Assistance Trust Fund.
- ✓9. Section 38 (page 15): Delete the budget submission reporting requirement.
- ✓10. Add the 2009 Wis. Act 2, Section 9122(e), language concerning the DOA's and DHS's budgeting practice to this bill.
- ✓11. Section 55. Retain the language that would end the CAH assessment if CMS does not approve the implementation of the assessment and the expenditure of the moneys collected.
- ✓12. Section 58. The additional payments under section 49.45(3)(e)12. would first apply to services provided by CAHs beginning on July 1, 2010.

2/3/10

TC from Lora Leach

add to redraft:

loans to physicians who

agree to practice in a rural area

(36.60) may be up to \rightarrow 100,000(instead of \rightarrow 50,000).



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-4007/P1
RLR/PG/GMM:nwn:md

THURSDAY

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

D-N

SA ✓

→ regen

1 AN ACT *to repeal* 50.38 (1) (a); *to renumber and amend* 39.393 (3) and 50.38
2 (2); *to amend* 20.435 (4) (w), 25.77 (11), 25.77 (12), 25.772, 36.60 (3), 36.60 (5)
3 (a), 36.60 (5) (b) (intro.), 36.60 (5) (b) 1., 36.60 (5) (b) 2., 36.60 (5) (b) 3., 36.60
4 (5) (b) 4., 36.60 (5) (b) 5., 36.60 (8) (b), 36.61 (3), 36.61 (5) (a), 36.61 (5) (b) (intro.),
5 36.61 (5) (b) 1., 36.61 (5) (b) 2., 36.61 (5) (b) 3., 36.61 (5) (b) 4., 36.61 (5) (b) 5.,
6 39.393 (2), 49.45 (3) (e) 11., 49.45 (59) (a), 50.38 (3), 50.38 (4), 50.38 (6) (a) 1.,
7 50.38 (6) (a) 2., 50.38 (6) (b), 50.38 (6) (c), 50.38 (7) (d) and 50.38 (8); and *to*
8 *create* 16.46 (10), 20.235 (1) (t), 20.285 (1) (qe), 20.285 (1) (qj), 20.435 (4) (xe),
9 25.17 (1) (cg), 25.774, 36.60 (1) (d), 36.60 (8) (h), 36.61 (1) (e), 36.61 (7) (e), 36.63,
10 39.393 (3) (b), 49.45 (2) (a) 25., 49.45 (3) (e) 12., 50.38 (2) (b), 50.38 (6m), 50.38
11 (10) and 50.38 (11) of the statutes; **relating to:** assessment on critical access
12 hospitals; payments to critical access hospitals under the Medical Assistance
13 Program; creating a rural physician residency assistance program; the

- 1 physician, dentist, and health care provider loan assistance programs; ~~the~~
2 ~~nursing student loan program~~; and making appropriations.

Analysis by the Legislative Reference Bureau

Health care provider loan programs

With certain exceptions, current law authorizes the Board of Regents of the University of Wisconsin System to repay, on behalf of certain physicians and dentists, up to \$50,000 in educational loans if the physician or dentist agrees to practice for three years in certain areas of this state. Similarly, the board may repay, on behalf of certain health care providers (a dental hygienist, physician assistant, nurse-midwife, or nurse-practitioner), up to \$25,000 in educational loans if the health care provider agrees to practice for three years in certain areas of this state.

This bill provides additional funds for these programs, from ~~the~~ critical access hospital assessment ~~fund~~, for certain physicians, dentists, and health care providers who agree to practice in a rural area of this state. A rural area is a ~~county~~ city, town, or village with a population of less than 20,000, or an area that is not an urbanized area, as defined by the federal bureau of the census. (PB)

Rural physician residency assistance program

This bill directs the board to establish and support certain physician residency positions at hospitals or clinics ~~located~~ located in a rural area or that include a rural rotation, begun after June 30, 2010, which consists of at least eight weeks of training experience in a hospital or clinic that is located in a rural area. The positions are funded with ~~money appropriated~~ from the critical access hospital assessment ~~fund~~.

The bill directs the board annually to submit a plan for increasing the number of physician residency programs that include a majority of training experience in a rural area to the Rural Wisconsin Health Cooperative, the Wisconsin Hospital Association, and the Wisconsin Medical Society. The board must also annually submit to the Joint Committee on Finance a report indicating the number of physician residency positions that include a majority of training experience in a rural area of this state, and information about each such residency position.

Nursing student loan program

Under current law, the Higher Educational Aids Board (HEAB) administers a Nursing Student Loan Program (loan program) under which HEAB makes loans to defray the cost of tuition, fees, and expenses for persons enrolled in programs in this state that confer associate degrees, bachelor's degrees, master's degrees, doctoral degrees, or diplomas in nursing or that confer second degrees that will make persons eligible to take the nursing licensure examination. The maximum amount of loans that a person may receive under the loan program during a fiscal year is \$3,000, and the maximum total amount of loans that a person may receive under the loan program is \$15,000. After a loan recipient has completed his or her program of study, HEAB must forgive 25 percent of the loan's principal and interest after the first full year, and 25 percent of the loan's principal and interest after the second full year, that

that is at least 15 miles from any city, town or village that has a population of at least 20,000

revenue

staffed by physicians who admit patients to a hospital (use 2x)

INS A

in a

at

(use 2x) located in a rural area

revenue

the loan recipient has been employed full time in this state as a nurse or nurse educator.

This bill appropriates to HEAB \$100,000 from the critical access hospital assessment fund in fiscal year 2010-11 and requires HEAB to use those moneys to make nursing student loans to persons enrolled in programs in this state that confer master's degrees or doctoral degrees in nursing. Under the bill, the maximum amount of those loans that a person may receive during a fiscal year is \$3,000, and the maximum total amount of those loans that a person may receive is \$15,000. After a loan recipient has completed his or her program of study, HEAB must forgive 25 percent of the loan's principal and interest after the first full year, and 25 percent of the loan's principal and interest after the second full year, that the loan recipient has been employed full time in this state as any of the following:

1. A nurse at a hospital that is located outside a federal metropolitan statistical area or at a hospital with no more than 100 beds that is located inside a federal metropolitan statistical area.

2. A nurse educator with significant responsibilities relating to preparing persons for employment as nurses in areas of this state that are located outside a federal metropolitan statistical area.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 16.46 (10) of the statutes is created to read:

16.46 (10) The report prepared by the department of health services under s. 49.45 (2) (a) 25.

SECTION 2. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

	2009-10	2010-11
20.235 Higher educational aids board		
(1) STUDENT SUPPORT ACTIVITIES		
(t) Critical access hospital assess-		
ment fund; nursing student loan		
program	SEG B	-0- 100,000

20.285 University of Wisconsin System

(1) UNIVERSITY EDUCATION RESEARCH AND PUBLIC
SERVICE

(qe) Rural physician residency assistance program

SEG B

3,000,000

-0-

(qj) Physician and dentist and health
care provider loan assistance

programs; critical access hospital

assessment fund

SEG B

1,000,000

-0-

SECTION 3. 20.235 (1) (t) of the statutes is created to read:

20.235 (1) (t) *Critical access hospital assessment fund; nursing student loan program.* Biennially, from the critical access hospital assessment fund, the amounts in the schedule for the nursing student loan program under s. 39.393.

SECTION 4. 20.285 (1) (qe) of the statutes is created to read:

20.285 (1) (qe) *Rural physician residency assistance program.* Biennially, from the critical access hospital assessment fund, the amounts in the schedule to establish and support physician residency positions under s. 36.63.

SECTION 5. 20.285 (1) (qj) of the statutes is created to read:

20.285 (1) (qj) *Physician and dentist and health care provider loan assistance programs; critical access hospital assessment fund.* Biennially, from the critical access hospital assessment fund, the amounts in the schedule for loan repayments under ss. 36.60 and 36.61.

SECTION 6. 20.435 (4) (w) of the statutes, as affected by 2009 Act Wisconsin 2, is amended to read:

20.435 (4) (w) *Medical Assistance trust fund.* From the Medical Assistance trust fund, biennially, the amounts in the schedule for meeting costs of medical assistance administered under ss. 46.27, 46.275 (5), 46.278 (6), 46.283 (5), 46.284 (5), 49.45, and 49.472 (6), for refunds under s. 50.38 (6) (a) and (6m) (a), and for administrative costs associated with augmenting the amount of federal moneys received under 42 CFR 433.51.

SECTION 7. 20.435 (4) (xe) of the statutes is created to read:

20.435 (4) (xe) *Critical access hospital assessment fund; hospital payments.*

From the critical access hospital assessment fund, all moneys received, except moneys appropriated under ss. 20.235 (1) (t) and 20.285 (1) (qe) and (qj), to make payments to critical access hospitals required under s. 49.45 (3) (e) 12. for services provided under the Medical Assistance Program under subch. IV of ch. 49; and to make refunds under s. 50.38 (6m); and to make the transfer and

SECTION 8. 25.17 (1) (cg) of the statutes is created to read:

25.17 (1) (cg) Critical access hospital assessment fund (s. 25.774);

SECTION 9. 25.77 (11) of the statutes, as created by 2009 Wisconsin Act 2, is amended to read:

25.77 (11) All moneys transferred under s. 50.38 (8) and (10).

SECTION 10. 25.77 (12) of the statutes, as created by 2009 Wisconsin Act 2, is amended to read:

25.77 (12) All moneys recouped and deposited under s. 50.38 (6) (a) 4. and (6m)

(a) 4.

SECTION 11. 25.772 of the statutes, as created by 2009 Wisconsin Act 2, is amended to read:

1 **25.772 Hospital assessment fund.** There is established a separate
2 nonlapsible trust fund designated as the hospital assessment fund, to consist of all
3 moneys received under s. 50.38 (2) (a) from assessments on hospitals and all moneys
4 recouped and deposited under s. 50.38 (6) (a) 3.

5 **SECTION 12.** 25.774 of the statutes is created to read:

6 **25.774 Critical access hospital assessment fund.** (1) There is established
7 a separate nonlapsible trust fund designated as the critical access hospital
8 assessment fund, to consist of all moneys received under s. 50.38 (2) (b) from
9 assessments on critical access hospitals and all moneys recouped and deposited
10 under s. 50.38 (6m) (a) 3.

11 **SECTION 13.** 36.60 (1) (d) of the statutes is created to read:

12 36.60 (1) (d) "Rural area" has the meaning given in s. 36.63 (1) (b).

13 **SECTION 14.** 36.60 (3) of the statutes, as affected by 2009 Wisconsin Act 28, is
14 amended to read:

15 **36.60 (3) AGREEMENT.** (a) The board shall enter into a written agreement with
16 the physician, in which the physician agrees to practice at least 32 clinic hours per
17 week for 3 years in one or more eligible practice areas in this state or in a rural area,
18 except that a physician specializing in psychiatry may only agree to practice
19 psychiatry in a mental health shortage area or in a rural area and a physician in the
20 expanded loan assistance program under sub. (9) may only agree to practice at a
21 public or private nonprofit entity in a health professional shortage area. The
22 physician shall also agree to care for patients who are insured or for whom health
23 benefits are payable under medicare, medical assistance, or any other governmental
24 program.

other than critical access hospitals

6-12

1 (am) The board shall enter into a written agreement with the dentist, in which
2 the dentist agrees to practice at least 32 clinic hours per week for 3 years in one or
3 more dental health shortage areas in this state or in a rural area. The dentist shall
4 also agree to care for patients who are insured or for whom dental health benefits are
5 payable under medicare, medical assistance, or any other governmental program.

6 (b) The agreement shall specify that the responsibility of the board to make the
7 payments under the agreement is subject to the availability of funds in the
8 appropriations under s. 20.285 (1) (jc) and, (ks), and (qj).

9 **SECTION 15.** 36.60 (5) (a) of the statutes, as affected by 2009 Wisconsin Act 28,
10 is amended to read:

11 36.60 (5) (a) The obligation of the board to make payments under an agreement
12 entered into under sub. (3) (b) is subject to the availability of funds in the
13 appropriations under s. 20.285 (1) (jc) and, (ks), and (qj).

14 **SECTION 16.** 36.60 (5) (b) (intro.) of the statutes, as affected by 2009 Wisconsin
15 Act 28, is amended to read:

16 36.60 (5) (b) (intro.) If the cost of repaying the loans of all eligible applicants,
17 when added to the cost of loan repayments scheduled under existing agreements,
18 exceeds the total amount in the appropriations under s. 20.285 (1) (jc) and, (ks), and
19 (qj), the board shall establish priorities among the eligible applicants based upon the
20 following considerations:

21 **SECTION 17.** 36.60 (5) (b) 1. of the statutes, as affected by 2009 Wisconsin Act
22 28, is amended to read:

23 36.60 (5) (b) 1. The degree to which there is an extremely high need for medical
24 care in the eligible practice area or, health professional shortage area, or rural area
25 in which a physician desires to practice and the degree to which there is an extremely

1 high need for dental care in the dental health shortage area or rural area in which
2 a dentist desires to practice.

3 *stet* **SECTION 18.** 36.60 (5) (b) 2. of the statutes, as affected by 2009 Wisconsin Act
4 *stet* 28, is amended to read:

5 36.60 (5) (b) 2. The likelihood that a physician will remain in the eligible
6 practice area ~~or~~, health professional shortage area, or rural area, and that a dentist
7 will remain in the dental health shortage area or rural area, in which he or she
8 desires to practice after the loan repayment period.

9 **SECTION 19.** 36.60 (5) (b) 3. of the statutes *as affected by 2009 Wisconsin Act 28*
is amended to read:

10 36.60 (5) (b) 3. The per capita income of the eligible practice area ~~or~~, health
11 professional shortage area, or rural area in which a physician desires to practice and
12 of the dental health shortage area or rural area in which a dentist desires to practice.

13 *stet* **SECTION 20.** 36.60 (5) (b) 4. of the statutes, as affected by 2009 Wisconsin Act
14 *stet* 28, is amended to read:

15 36.60 (5) (b) 4. The financial or other support for physician recruitment and
16 retention provided by individuals, organizations, or local governments in the eligible
17 practice area ~~or~~, health professional shortage area, or rural area in which a physician
18 desires to practice and for dentist recruitment and retention provided by individuals,
19 organizations, or local governments in the dental health shortage area or rural area
20 in which a dentist desires to practice.

21 **SECTION 21.** 36.60 (5) (b) 5. of the statutes, as affected by 2009 Wisconsin Act
22 28, is amended to read:

23 36.60 (5) (b) 5. The geographic distribution of the physicians and dentists who
24 have entered into loan repayment agreements under this section and the geographic
25 distribution of the eligible practice areas, health professional shortage areas, and

1 dental health shortage areas, and rural areas in which the eligible applicants desire
2 to practice.

3 **SECTION 22.** 36.60 (8) (b) of the statutes, as affected by 2009 Wisconsin Act 28,
4 is amended to read:

5 36.60 (8) (b) Identify eligible practice areas and rural areas with an extremely
6 high need for medical care and dental health shortage areas and rural areas with an
7 extremely high need for dental care.

8 **SECTION 23.** 36.60 (8) (h) of the statutes is created to read:

9 36.60 (8) (h) Notwithstanding subs. (3) (b) and (5) (a) and (b), ensure that
10 moneys appropriated under s. 20.285 (1) (qj) are used under this section only to repay
11 loans on behalf of physicians and dentists who agree to practice in a rural area.

12 **SECTION 24.** 36.61 (1) (e) of the statutes is created to read:

13 36.61 (1) (e) "Rural area" has the meaning given in s. 36.63 (1) (b).

14 **SECTION 25.** 36.61 (3) of the statutes, as affected by 2009 Wisconsin Act 28, is
15 amended to read:

16 36.61 (3) AGREEMENT. (a) The board shall enter into a written agreement with
17 the health care provider. In the agreement, the health care provider shall agree to
18 practice at least 32 clinic hours per week for 3 years in one or more eligible practice
19 areas in this state or in a rural area, except that a health care provider in the
20 expanded loan assistance program under sub. (8) who is not a dental hygienist may
21 only agree to practice at a public or private nonprofit entity in a health professional
22 shortage area.

23 (b) The agreement shall specify that the responsibility of the board to make the
24 payments under the agreement is subject to the availability of funds in the
25 appropriations under s. 20.285 (1) (jc) ~~and, (ks), and (qj).~~

1 **SECTION 26.** 36.61 (5) (a) of the statutes, as affected by 2009 Wisconsin Act 28,
2 is amended to read:

3 36.61 (5) (a) The obligation of the board to make payments under an agreement
4 entered into under sub. (3) is subject to the availability of funds in the appropriations
5 under s. 20.285 (1) (jc) ~~and, (ks), and (qj).~~

6 **SECTION 27.** 36.61 (5) (b) (intro.) of the statutes, as affected by 2009 Wisconsin
7 Act 28, is amended to read:

8 36.61 (5) (b) (intro.) If the cost of repaying the loans of all eligible applicants,
9 when added to the cost of loan repayments scheduled under existing agreements,
10 exceeds the total amount in the appropriations under s. 20.285 (1) (jc) ~~and, (ks), and~~
11 ~~(qj)~~, the board shall establish priorities among the eligible applicants based upon the
12 following considerations:

13 **SECTION 28.** 36.61 (5) (b) 1. of the statutes, as affected by 2009 Wisconsin Act
14 28, is amended to read:

15 36.61 (5) (b) 1. The degree to which there is an extremely high need for medical
16 care in the eligible practice area ~~or, health professional shortage area, or rural area~~
17 in which an eligible applicant who is not a dental hygienist desires to practice and
18 the degree to which there is an extremely high need for dental care in the dental
19 health shortage area or rural area in which an eligible applicant who is a dental
20 hygienist desires to practice.

21 **SECTION 29.** 36.61 (5) (b) 2. of the statutes, as affected by 2009 Wisconsin Act
22 28, is amended to read:

23 36.61 (5) (b) 2. The likelihood that an eligible applicant will remain in the
24 eligible practice area ~~or, health professional shortage area, or rural area~~ in which he
25 or she desires to practice after the loan repayment period.

1 **SECTION 30.** 36.61 (5) (b) 3. of the statutes, as affected by 2009 Wisconsin Act
2 28, is amended to read:

3 36.61 (5) (b) 3. The per capita income of the eligible practice area ~~or~~, health
4 professional shortage area, or rural area in which an eligible applicant desires to
5 practice.

6 **SECTION 31.** 36.61 (5) (b) 4. of the statutes, as affected by 2009 Wisconsin Act
7 28, is amended to read:

8 36.61 (5) (b) 4. The financial or other support for health care provider
9 recruitment and retention provided by individuals, organizations or local
10 governments in the eligible practice area ~~or~~, health professional shortage area, or
11 rural area in which an eligible applicant desires to practice.

12 **SECTION 32.** 36.61 (5) (b) 5. of the statutes, as affected by 2009 Wisconsin Act
13 28, is amended to read:

14 36.61 (5) (b) 5. The geographic distribution of the health care providers who
15 have entered into loan repayment agreements under this section and the geographic
16 location of the eligible practice area ~~or~~, health professional shortage area, or rural
17 area in which an eligible applicant desires to practice.

18 **SECTION 33.** 36.61 (7) (e) of the statutes is created to read:

19 36.61 (7) (e) Notwithstanding subs. (3) (b) and (5) (a) and (b), ensure that
20 moneys appropriated under s. 20.285 (1) (qj) are used under this section only to repay
21 loans on behalf of health care providers who agree to practice in a rural area.

22 **SECTION 34.** 36.63 of the statutes is created to read:

23 **36.63 Rural physician residency assistance program.** (1) In this section:

(a) "Physician" means a physician, as defined in s. 448.01 (5), who specializes in family practice, general surgery, internal medicine, obstetrics, pediatrics or psychiatry.

(b) "Rural area" means a county, city, town, or village in this state that has a population of less than 20,000, or an area in this state that is not an urbanized area, as defined by the federal bureau of the census. ✓

(2) (a) The board shall establish and support physician residency positions to which one of the following applies:

1. The residency position is in a hospital ~~and~~ that is located in a rural area.

2. The residency position includes a rural rotation, begun after ~~March 2009~~ ^{June 30, 2010}.

~~which~~ ^{or in a clinic staffed by physicians who admit patients to a hospital located in a rural area}, which consists of at least 8 weeks of training experience in a hospital ~~or~~ ^{or in a clinic staffed by physicians who admit patients to a hospital located in a rural area} that is located in a rural area.

(b) In establishing and supporting residency positions under par. (a), the board shall give preference to residency programs that actively recruit graduates of the University of Wisconsin School of Medicine and Public Health and the Medical College of Wisconsin.

(3) Annually by December 1, the board shall submit a plan for increasing the number of physician residency programs that include a majority of training experience in a rural area to the Rural Wisconsin Health Cooperative, the Wisconsin Hospital Association, and the Wisconsin Medical Society. The plan shall include a detailed proposed budget for expending the moneys appropriated to the board under s. 20.285 (1) (qe) and demonstrate that the moneys do not supplant existing funding. The board shall consider comments made by the organizations in formulating its final budget.

1 (4) Annually by December 1, the board shall submit to the joint committee on
2 finance a report that includes all of the following:

3 (a) The number of physician residency positions that existed in the 2009-10
4 fiscal year, and in each fiscal year beginning after the effective date of this paragraph
5 [LRB inserts date], that included a majority of training experience in a rural area.

6 (b) 1. The number of such physician residency positions funded in whole or in
7 part under this section in the previous fiscal year.

8 2. The eligibility criteria met by each such residency position and the hospital
9 or clinic with which the position is affiliated.

10 3. The medical school attended by the physician filling each such residency
11 position.

12 4. The year the Accreditation Council for Graduate Medical Education certified
13 the residency position.

14 5. The reason the residency position had not been funded.

15 **SECTION 35.** 39.393 (2) of the statutes is amended to read:

16 39.393 (2) ~~Beginning in the 2002-03 fiscal year, the~~ The board shall make loans
17 under this section from the appropriation under s. 20.235 (1) (cm). Beginning in the
18 2010-11 fiscal year, the board, subject to s. 50.38 (11), shall also make loans under
19 this section from the appropriation under s. 20.235 (1) (t) to persons enrolled in the
20 programs described in sub. (1) (e) and (f). The maximum amount of loan for a person
21 during any fiscal year is \$3,000. The maximum that a person may receive under this
22 section is \$15,000. The board shall ensure that the terms of the loan do not require
23 a loan recipient to repay the loan while the recipient is enrolled in a program under
24 sub. (1).

1 **SECTION 36.** 39.393 (3) of the statutes is renumbered 39.393 (3) (a) and
2 amended to read:

3 39.393 (3) (a) After the recipient of a loan under sub. (1) that was funded from
4 the appropriation under s. 20.235 (1) (cm) has completed the program described in
5 sub. (1), the board shall forgive ~~25%~~ 25 percent of the loan's principal and interest
6 after the first full year and ~~25%~~ 25 percent of the loan's principal and interest after
7 the 2nd full year that the recipient has been employed full time in this state as a
8 nurse or nurse educator.

9 (c) The board may forgive loans on a prorated basis for persons who are
10 employed less than full time. The board shall deposit in the general fund as general
11 purpose revenue — earned all repayments of loans made under this section and the
12 interest on those loans.

13 **SECTION 37.** 39.393 (3) (b) of the statutes is created to read:

14 39.393 (3) (b) After the recipient of a loan under sub. (1) (e) or (f) that was
15 funded from the appropriation under s. 20.235 (1) (t) has completed the program
16 described in sub. (1), the board shall forgive 25 percent of the loan's principal and
17 interest after the first full year and 25 percent of the loan's principal and interest
18 after the 2nd full year that the recipient has been employed full time in this state as
19 any of the following:

20 1. A nurse at a hospital that is located outside a metropolitan statistical area
21 specified under 42 CFR 412.62 (ii) (A) or at a hospital with no more than 100 beds
22 that is located inside such a metropolitan statistical area.

23 2. A nurse educator with significant responsibilities relating to preparing
24 persons for employment as nurses in areas of this state that are located outside a
25 metropolitan statistical area specified under 42 CFR 412.62 (ii) (A).

1 **SECTION 38.** 49.45 (2) (a) 25. of the statutes is created to read:

2 49.45 (2) (a) 25. Prepare a report for submission under s. 16.46 (10) [✓] that
3 contains all of the following:

4 a. The amount of medical assistance payments to hospitals in the fiscal
5 biennium in which the report is prepared, categorized by type of hospital and source
6 of funding.

 ****NOTE: Should subd. a. require reporting of actual expenditures to date or actual
 and estimated for the biennium?

7 b. Estimated medical assistance payments to hospitals for the fiscal biennium
8 succeeding the fiscal biennium in which the report is prepared, categorized by type
9 of hospital, and an explanation of how the department developed the estimates.

10 c. The number of medical assistance recipients at the time the report is
11 prepared and an estimate of the number of medical recipients for the fiscal biennium
12 succeeding the fiscal biennium in which the report is prepared.

 ****NOTE: Should subd. c. require reporting of the actual number of MA recipients
 on a given date, or the number of actual and estimated recipients for the whole current
 biennium? Same question for the estimate for the succeeding biennium: should it be an
 average daily caseload, or the total number of people expected to receive MA at any time
 during the biennium?

13 d. Hospital utilization by medical assistance recipients in the fiscal biennium
14 in which the report is prepared and estimated hospital utilization by medical
15 assistance recipients in the succeeding fiscal biennium, categorized by type of
16 hospital.

17 e. The calculation of federal Medicaid upper payment limits for hospital
18 services that are applicable to reimbursement for hospital services under medical
19 assistance in the fiscal biennium in which the report is prepared.

f. Estimated medical assistance payments to providers other than hospitals for the fiscal biennium succeeding the fiscal biennium in which the report is prepared, categorized by type of provider.

SECTION 39. 49.45 (3) (e) 11. of the statutes, as created by 2009 Wisconsin Act 2, is amended to read:

49.45 (3) (e) 11. The department shall use a portion of the moneys collected under s. 50.38 (2) (a) to pay for services provided by eligible hospitals, as defined in s. 50.38 (1), other than critical access hospitals, under the Medical Assistance Program under this subchapter, including services reimbursed on a fee-for-service basis and services provided under a managed care system. For state fiscal year 2008-09, total payments required under this subdivision, including both the federal and state share of Medical Assistance, shall equal the amount collected under s. 50.38 (2) (a) for fiscal year 2008-09 divided by 57.75 percent. For each state fiscal year after state fiscal year 2008-09, total payments required under this subdivision, including both the federal and state share of Medical Assistance, shall equal the amount collected under s. 50.38 (2) (a) for the fiscal year divided by 61.68 percent.

SECTION 40. 49.45 (3) (e) 12. of the statutes is created to read:

49.45 (3) (e) 12. The department shall use a portion of the moneys collected under s. 50.38 (2) (b) to pay for services provided by critical access hospitals under the Medical Assistance Program under this subchapter, including services reimbursed on a fee-for-service basis and services provided under a managed care system. For each state fiscal year, total payments required under this subdivision, including both the federal and state share of Medical Assistance, shall equal the amount collected under s. 50.38 (2) (b) for the fiscal year divided by 61.68 percent.

✓
e
***NOTE: Are critical access hospitals paid on a fee-for-service basis, or is cost reimbursement a different methodology? I assumed that the health care workforce initiatives are not counted for purposes of this formula—is this correct?

1 **SECTION 41.** 49.45 (59) (a) of the statutes, as created by 2009 Wisconsin Act 2,
2 is amended to read:

3 49.45 (59) (a) The department shall, from the appropriation ~~account~~ accounts
4 under s. 20.435 (4) (xc) and (xe), pay each health maintenance organization with
5 which it contracts to provide medical assistance a monthly amount that the health
6 maintenance organization shall use to make payments to hospitals under par. (b).

7 **SECTION 42.** 50.38 (1) (a) of the statutes, as created by 2009 Wisconsin Act 2,
8 is repealed.

9 **SECTION 43.** 50.38 (2) of the statutes, as created by 2009 Wisconsin Act 2, is
10 renumbered 50.38 (2) (a) and amended to read:

11 50.38 (2) (a) For the privilege of doing business in this state, there is imposed
12 on each eligible hospital that is not a critical access hospital an assessment each state
13 fiscal year that is equal to a uniform percentage, determined under sub. (3), of the
14 hospital's gross patient revenues, as reported under s. 153.46 (5) and determined by
15 the department. The assessments shall be deposited in the hospital assessment
16 fund.

17 **SECTION 44.** 50.38 (2) (b) of the statutes is created to read:

18 50.38 (2) (b) Except as provided in sub. (11), for the privilege of doing business
19 in this state, there is imposed on each critical access hospital an assessment each
20 state fiscal year that is equal to a uniform percentage, determined under sub. (3), of
21 the critical access hospital's gross inpatient revenues, as reported under s. 153.46 (5)
22 and determined by the department. The assessments shall be deposited in the
23 critical access hospital assessment fund.

1 **SECTION 45.** 50.38 (3) of the statutes, as created by 2009 Wisconsin Act 2, is
2 amended to read:

3 50.38 (3) The department shall establish the percentage that is applicable
4 under sub. (2) (a) and (b) so that the total amount of assessments collected under ~~this~~
5 ~~section sub. (2) (a)~~ in a state fiscal year is equal to the amount in the schedule under
6 s. 20.005 (3) for the appropriation under s. 20.435 (4) (xc) for that fiscal year.

7 **SECTION 46.** 50.38 (4) of the statutes, as created by 2009 Wisconsin Act 2, is
8 amended to read:

9 50.38 (4) Except as provided in sub. (5), each eligible hospital shall pay the
10 applicable annual assessment under sub. (2) in 4 equal amounts that are due by
11 September 30, December 31, March 31, and June 30 of each year.

12 **SECTION 47.** 50.38 (6) (a) 1. of the statutes, as created by 2009 Wisconsin Act
13 2, is amended to read:

14 50.38 (6) (a) 1. If the federal government does not provide federal financial
15 participation under the federal Medicaid program for amounts collected under ~~this~~
16 ~~section sub. (2) (a)~~ that are used to make payments required under s. 49.45 (3) (e) 11.
17 or (5r), that are transferred under sub. (8) and used to make payments from the
18 Medical Assistance trust fund, or that are transferred under sub. (9) and expended
19 under ~~under~~ s. 20.435 (4) (jw), the department shall, from the fund from which the
20 payment or expenditure was made, refund eligible hospitals, other than critical
21 access hospitals, the amount for which the federal government does not provide
22 federal financial participation.

23 **SECTION 48.** 50.38 (6) (a) 2. of the statutes, as created by 2009 Wisconsin Act
24 2, is amended to read:

1 50.38 (6) (a) 2. If the department makes a refund under subd. 1. as result of
2 failure to obtain federal financial participation under the federal Medicaid program
3 for a payment required under s. 49.45 (3) (e) 11. or (5r) or a payment from the Medical
4 Assistance trust fund, the department shall recoup the part of the payment for which
5 the federal government does not provide federal financial participation.

6 **SECTION 49.** 50.38 (6) (b) of the statutes, as created by 2009 Wisconsin Act 2,
7 is amended to read:

8 50.38 (6) (b) On June 30 of each state fiscal year, the department shall, from
9 the appropriation account under s. 20.435 (4) (xc), refund to eligible hospitals, other
10 than critical access hospitals, the difference between the amount in the schedule
11 under s. 20.005 (3) for that appropriation and the amount expended or encumbered
12 from that appropriation in the fiscal year.

13 **SECTION 50.** 50.38 (6) (c) of the statutes, as created by 2009 Wisconsin Act 2,
14 is amended to read:

15 50.38 (6) (c) The department shall allocate any refund under this subsection
16 to eligible hospitals, other than critical access hospitals, in proportion to the
17 percentage of the total assessments collected under sub. (2) (a) that each hospital
18 paid.

19 **SECTION 51.** 50.38 (6m) of the statutes is created to read:

20 50.38 (6m) (a) 1. If the federal government does not provide federal financial
21 participation under the federal Medicaid program for amounts collected under sub.
22 (2) (b) that are used to make payments required under s. 49.45 (3) (e) 12. or that are
23 transferred under sub. (10) and used to make payments from the Medical Assistance
24 trust fund, the department shall, from the fund from which the payment or

1 expenditure was made, refund critical access hospitals the amount for which the
2 federal government does not provide federal financial participation.

****NOTE: Do you expect FFP on rural health care workforce grants?

3 2. If the department makes a refund under subd. 1. as result of failure to obtain
4 federal financial participation under the federal Medicaid program for a payment
5 required under s. 49.45 (3) (e) 12. or a payment from the Medical Assistance trust
6 fund, the department shall recoup the part of the payment for which the federal
7 government does not provide federal financial participation.

8 3. Moneys recouped under subd. 2. for payments made from the critical access
9 hospital assessment fund shall be deposited in the critical access hospital
10 assessment fund.

11 4. Moneys recouped under subd. 2. for payments made from the Medical
12 Assistance trust fund shall be deposited in the Medical Assistance trust fund.

13 (b) On June 30 of each state fiscal year, the department shall, from the
14 appropriation account under s. 20.435 (4) (xe), refund to critical access hospitals any
15 unencumbered moneys in the critical access hospital assessment fund.

16 (c) The department shall allocate any refund under this subsection to critical
17 access hospitals in proportion to the percentage of the total assessments collected
18 under sub. (2) (b) that each critical access hospital paid.

19 **SECTION 52.** 50.38 (7) (d) of the statutes, as created by 2009 Wisconsin Act 2,
20 is amended to read:

21 50.38 (7) (d) The total amount of payment increases the department made, in
22 connection with implementation of the hospital assessment assessments under sub.
23 (2), for inpatient and outpatient hospital services that are reimbursed on a
24 fee-for-service basis.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4007/1dn

RLR:|:....

nwn

Date

Please verify that \$2.7 million is the correct amount for the appropriation increase under s. 20.435 (4) (w).

Please note that the bill provides that if the federal government disapproves the state Medicaid plan amendment for the critical access hospital assessment, the state must stop collecting the assessment and refund assessment revenues collected in fiscal year 2010-11. The bill does not provide for retroactively adjusting Medical Assistance payments to critical access hospitals if the federal government disapproves the state Medicaid plan amendment, except to the extent that proposed s. 50.38 (6m) (a) 2. applies if the federal government does not provide federal financial participation for the payments.

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Hospital Assessments

The state currently collects an assessment from hospitals based on their gross inpatient and outpatient revenues. The biennial budget act specifies the total amount of revenue to be collected from the assessment. The Department of Health Services (DHS) then sets the assessment rate, which is the same for all hospitals, at the percentage of gross patient revenue necessary to collect the total revenue amount specified in the biennial budget act. Critical access hospitals, psychiatric hospitals, and institutions for mental diseases are exempt from the assessment. A critical access hospital is, in general, a hospital that provides 24 hour a day emergency care, has 25 or fewer acute inpatient beds, and is located in a rural area in which there are no other hospitals.

Current law directs DHS to use a portion of the hospital assessment revenue to pay hospitals that are subject to the assessment for services provided under the Medical Assistance Program (MA). Like other provider payments under MA, the federal government pays a share of these MA payments to hospitals. Current law requires that the MA payments to hospitals from the assessment revenue, together with the federal share, equal the amount of the assessment revenue divided by 61.68 percent (i.e., 1.62 times the amount of assessment revenue). The remainder of the assessment revenue is appropriated for other MA expenditures.

This bill imposes an assessment on the gross inpatient revenues of critical access hospitals. The rate for the critical access hospital assessment is the same as the rate of the current hospital assessment. The bill requires that DHS use a portion of the critical access hospital assessment revenue to pay critical access hospitals for services provided under MA. Like the current hospital assessment, the bill requires that the MA payments to critical access hospitals from the critical access hospital assessment revenue, together with the federal share of payments, equal the amount of the critical access hospital assessment revenue divided by 61.68 percent. The bill annually appropriates \$1,000,000 of critical access hospital assessment revenue for health care provider loans and rural physician residency assistance, described below. The remainder of critical access hospital assessment revenue is appropriated for other MA expenditures.

The provisions in the bill for payment to critical access hospitals under MA apply to services provided beginning July 1, 2010. The first critical access hospital assessment payments are due by September 30, 2010. The bill requires DHS to submit a state Medicaid plan amendment to the federal government to implement the critical access hospital assessment as provided for in the bill, and specifies that if the federal government disapproves the state plan amendment, DHS must discontinue the assessment on critical access hospitals and refund any critical access hospital assessment revenue collected in fiscal year 2010-11.

Ins 21-25:

(1) STATE PLAN AMENDMENT. The department of health services shall submit a state medicaid plan amendment to the secretary of the federal department of health and human services that provides for the critical access hospital assessment under section 50.38 (2) (b) of the statutes, as created by this act, and expenditure of revenue from the critical access hospital assessment as provided in this act. If the secretary of the federal department of health and human services disapproves the state medicaid plan amendment, the department of health services shall refund to critical access hospitals all of the moneys collected from the critical access hospital assessment in the fiscal biennium in which this subsection takes effect and stop collecting moneys under the critical access hospital assessment.

(2) BUDGETING PRACTICES. This act does not affect any requirements under section 16.46 of the statutes. The departments of administration and health services shall review, reestimate, and request general purpose revenue for payments to critical access hospitals under the Medical Assistance Program under subchapter IV of chapter 49 of the statutes as needed.

Ins 23-3:

SECTION 1. Effective date.

(1) This act takes effect on July 1, 2010.

1 **SECTION 53.** 50.38 (8) of the statutes is amended to read:

2 50.38 (8) In each state fiscal year, the secretary of administration shall transfer
3 from the hospital assessment fund to the Medical Assistance trust fund an amount
4 equal to the amount in the schedule under s. 20.005 (3) for the appropriation under
5 s. 20.435 (4) (xc) for that fiscal year minus the state share of payments to hospitals
6 required under s. 49.45 (3) (e) 11., and minus any refunds paid to hospitals from the
7 hospital assessment fund under sub. (6) (a) in that fiscal year.

8 **SECTION 54.** 50.38 (10) of the statutes is created to read:

9 50.38 (10) In each state fiscal year, the secretary of administration shall
10 transfer from the critical access hospital assessment fund to the Medical Assistance
11 trust fund an amount equal to the amount collected under sub. (2) (b) minus the state
12 share of the amount required to be expended under s. 49.45 (3) (e) 12., minus the
13 amounts appropriated under ss. 20.235 (1) (t) and 20.285 (1) (qe) and (qj), and minus
14 any refunds paid to critical access hospitals from the critical access hospital
15 assessment fund under sub. (6m) (a) in that fiscal year. ✓

16 **SECTION 55.** 50.38 (11) of the statutes is created to read:

17 50.38 (11) The department of health services shall submit a state medicaid
18 plan amendment to the secretary of the federal department of health and human
19 services to implement the assessment under sub. (2) (b) and the expenditure of
20 moneys collected under sub. (2) (b). If the secretary of the federal department of
21 health and human services does not approve implementation of the assessment
22 under sub. (2) (b) and expenditure of the moneys collected under sub. (2) (b), as
23 provided in the state medicaid plan amendment, critical access hospitals are not
24 required to pay the assessment under sub. (2) (b).

25 **SECTION 56. Nonstatutory provisions.**

INS 21-25 →

(1) DEADLINES FOR CRITICAL ACCESS HOSPITAL ASSESSMENT PAYMENTS. (a)

Notwithstanding section 50.38 (4) of the statutes, as affected by this act, for fiscal year 2009-10, critical access hospitals shall pay the annual assessment under section 50.38 (2) (b) of the statutes, as created by this act, in 2 equal amounts that are due on the following 2 dates:

1. June 30, 2010, or 60 days after the department of health services begins making payments to critical access hospitals as required under section 49.45 (3) (e) 12. of the statutes, as created by this act, whichever is later.

2. September 30, 2010, or 60 days after the date described under subdivision 1., whichever is later.

(b) Notwithstanding section 50.38 (4) of the statutes, as affected by this act, for fiscal year 2010-11, critical access hospitals shall pay the annual assessment under section 50.38 (2) (b) of the statutes, as created by this act, in 3 equal amounts that are due on December 31, 2010, March 31, 2011, and June 30, 2011.

SECTION 57. Fiscal changes.

(1) MEDICAL ASSISTANCE TRUST FUND. In the schedule under section 20.005 (3)

of the statutes for the appropriation to the department of health services under section 20.435 (4) (w) of the statutes, as affected by the acts of 2009, the dollar amount is increased by \$2,700,000 for the first fiscal year of the fiscal biennium in which this subsection takes effect for the purposes for which the appropriation is made. In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of health services under section 20.435 (4) (w) of the statutes, as affected by the acts of 2009, the dollar amount is increased by \$2,700,000 for the second fiscal year of the fiscal biennium in which this subsection takes effect for the purposes for which the appropriation is made. ✓

****NOTE: The drafting instructions call for increasing the amount in the Medical assistance trust fund. I assumed you want to increase expenditure authority under s. 20.435 (4) (w). Please let me know if this is not accurate.

1 **SECTION 58. Initial applicability.**

2 (1) The treatment of section 49.45 (3) (e) 12. of the statutes first applies to
3 services provided by critical access hospitals on April 1, 2010.[✓]

****NOTE: This draft does not address how HMOs will initially implement payments to critical access hospitals under s. 49.45 (59). I am assuming that DHS will handle this by contract with the HMOs.

4 → (END)

D-note

INS
23-3

(A7)

(h) The bill ^{increases} also ^{maximum} increases the ^{amount} the ^{amount} of loan repayment from \$50,000 to \$100,000 for a physician who agrees to practice in a rural area. ✓

6-12

Section #. 36.60 (2) (a) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

renumbered
36.60(2)(a) 1. ✓
and

1. except as provided in subd. 2. ✓ the
36.60 (2) (a) The board may repay, on behalf of a physician or dentist, up to \$50,000 in educational loans obtained by the physician or dentist from a public or private lending institution for education in an accredited school of medicine or dentistry or for postgraduate medical or dental training. ✓

History: 2009 a. 28 ss. 747s, 3035 to 3045; Stats. 2009 s. 36.60.

SEC. CR. 36.60(2)(a) 2.

36.60 (2)(a) 2. If a physician who agrees under
sub. (3) ✓ to practice in a rural area, The board may
repay, on behalf of a physician, up to \$100,000 in
educational loans obtained by the physician from a
public or private lending institution for education
in an accredited school of medicine or for
postgraduate medical training. ✓

7-8:1

Section #. 36.60[✓] (4) (intro.) of the statutes, as affected by 2009 Wisconsin Act 28, is amended to read:

36.60 (4) LOAN REPAYMENT. (intro.) ~~Principal~~ ^{Except as provided in sub (4m), principal} and interest due on loans, exclusive of any penalties, may be repaid by the board at the following rate:

History: 2009 a. 28 ss. 747s, 3035 to 3045; Stats. 2009 s. 36.60.

SEC. CR. 36.60 (4m)

36.60 (4m) ^{CS} LOAN REPAYMENT, RURAL PHYSICIANS[✓] If a physician agrees under sub (3)[✓] to practice in a rural area, principal and interest due on the loan, exclusive of any penalties, may be repaid by the board at the following rate [✓] \$

7-8:2

Section # ~~36.60 (4) (a), (b) and (c)~~ of the statutes are ...

~~36.60 (4)~~^g (a) Up to 40% of the principal of the loan or ~~\$20,000~~^{\$46,000}, whichever is less, during the first year of participation in the program under this section.

History: 2009 a. 28 ss. 747s, 3035 to 3045; Stats. 2009 s. 36.60.

(b) Up to an additional 40% of the principal of the loan or ~~\$20,000~~^{\$40,000}, whichever is less, during the 2nd year of participation in the program under this section.

History: 2009 a. 28 ss. 747s, 3035 to 3045; Stats. 2009 s. 36.60.

(c) Up to an additional 20% of the principal of the loan or ~~\$10,000~~^{\$20,000}, whichever is less, during the 3rd year of participation in the program under this section.

History: 2009 a. 28 ss. 747s, 3035 to 3045; Stats. 2009 s. 36.60.

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-4007/1dn
RLR:nwn:md

February 4, 2010

Please verify that \$2.7 million is the correct amount for the appropriation increase under s. 20.435 (4) (w).

Please note that the bill provides that if the federal government disapproves the state Medicaid plan amendment for the critical access hospital assessment, the state must stop collecting the assessment and refund assessment revenues collected in fiscal year 2010-11. The bill does not provide for retroactively adjusting Medical Assistance payments to critical access hospitals if the federal government disapproves the state Medicaid plan amendment, except to the extent that proposed s. 50.38 (6m) (a) 2. applies if the federal government does not provide federal financial participation for the payments.

Robin Ryan
Legislative Attorney
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E-mail: robin.ryan@legis.wisconsin.gov

Ryan, Robin

From: Peck, Eric
Sent: Friday, February 05, 2010 3:48 PM
To: Ryan, Robin
Cc: Kuhn, Jamie; Johnston, James - DHS; 'Willing, Krista E - DHS'; Morgan, Charlie
Subject: LRB 4007/1

Hi Robin: Jamie did provide me with a copy of the revised CAH assessment draft. One of your questions was whether the MA Trust Fund appropriation, 20.435(4)(w), should be taken up by \$2,700,000 in SFY 2011.

Both DHS and we have concluded that the correct number is \$3,680,500.

Please let me know if you have any questions.

Eric Peck, Fiscal Analyst
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